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RUEHSW/AMEMBASSY BERN 8528
RUEHNY/AMEMBASSY OSLO 2042
RUEHKV/AMEMBASSY KYIV 1001
RUEHRH/AMEMBASSY RIYADH 0722
RUEHEG/AMEMBASSY CAIRO 2008
RUEHAM/AMEMBASSY AMMAN 1066
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SUBJECT: MORE ON PA BID FOR WTO OBSERVER STATUS

Reftels: (a) Jerusalem 1607 (B) Secstate 99831 (c) Geneva00783

11. (SBU) SUMMARY: Recent conversations with the Israeli Mission and other delegations indicate that both the Israelis and the PA think, or are at least telling people, that we support their respective, and opposing, positions on the observership issues. The PA has been busy lobbying other delegations, though probably not as many as they should, and indications from those delegations we've spoken to are that no one other than Israel would oppose their bid. There is also sensitivity among many we've spoken with about the need to handle this issue with care. However, it is not clear that this sensitivity applies to all of the countries in the region. Meanwhile, the PA did not file their actual request for observership as they said they would do this past Monday and now they are indicating that they will do so this coming Monday. The agenda for the October General Council closes next Friday. End summary.

12. (SBU) Yesterday evening the Israeli Mission advised the Charge that they now have instructions to oppose the PA's request for observership both in the case of the General Council and the Ministerial Conference. They added in passing that they understood that this was consistent with the U.S. position. The Charge went over with them the U.S. position as set out in ref B but our Israeli counterpart said he believed that they had received a different impression in discussions through other channels. The Israelis will be meeting with GC Chair today to convey their position.

13. (SBU) In preparation for meeting with Israel, GC Chair Matus called the Charge this morning to see if it was true, as the PA was telling him, that the United States has indicated that it would not stand in the way of a decision in October. Again, the Charge laid out for him the U.S. stance per Ref. B. Matus asked if we might be in a position to agree to the request at a Special Session of the GC that he expects to call sometime in November. Charge responded that his guidance from DC did not address this contingency as this was the first we had heard of such a meeting. However, he emphasized that this question involves both issues of timing and substance.

14. (SBU) Matus also mentioned that he had had a conversation with the Egyptian Ambassador who: (a) saw this as a political issue; (b) expects this issue to be on the agenda for the October GC meeting; and (c) expects there to be a big political push. Matus did not

mention any threat of Egypt or anyone else seeking a vote on the issue but we would not assume that this possibility has completely disappeared.

¶15. (SBU) The PA has been making the rounds but they seem to be approaching this as one might in the case of a UN issue - talking to major players and dealing with the rest through regional groups. However, consensus building in the WTO is more a retail than a wholesale operation and they have not touched a number of bases that someone experienced in the WTO culture would have known to have touched. This is unlikely to translate into those that have been ignored opposing the bid but it does help make the case that they have not done enough to expect a decision at this juncture.

¶16. (SBU) Other delegations we spoken to have indicated either that they support, or do not oppose the PA's request. At the same time, they realize the sensitivities involved and most want to make sure this is handled in a way that does not cause a political blow up. For instance, the EC Ambassador told the Charge that he'd told the PA that the EC supports their request but that this is not enough. They need to talk to lots of other delegations.

¶17. (SBU) The GC Chair will have to decide by the end of the day next Friday whether to place this issue on the agenda for the October GC meeting. If he chooses not to, this issue is likely to be brought up by one or more of the Arab states at that meeting under "Other Business". Since decisions are not taken under Other Business this would basically be a discussion item. We expect the discussion would entail complaints about the Chair not placing the issue on the agenda and insistence that we deal with the issue

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promptly and favorably. The November Special Session of the GC is a complicating factor because it moves the discussion closer to the more political environment that will develop as we get closer to the WTO's Ministerial Conference.